
HOUSE BILL No. 1079

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-13.

Synopsis: Economic development tax credits. Provides that an applicant may not obtain an economic development for a growing economy (EDGE) tax credit to retain existing jobs in Indiana unless the average compensation paid to the applicant's employees exceeds the lesser of the average county wage or the average state wage. Reduces the number of employees the applicant must employ from 200 to 75. Changes the minimum ratio of local incentives to EDGE credits from \$1.50 per \$3 of EDGE credits to \$1 per \$2 of EDGE credits. Requires the EDGE board to consider, in determining the amount of an EDGE credit, the average wage paid by the applicant (rather than the amount by which this average wage exceeds the county average wage).

Effective: July 1, 2004.

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January 13, 2004, read first time and referred to Committee on Ways and Means.

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Introduced

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

HOUSE BILL No. 1079

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3.1-13-15.5, AS ADDED BY P.L.178-2002,
2 SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2004]: Sec. 15.5. This section applies to an application
4 proposing to retain existing jobs in Indiana. After receipt of an
5 application, the board may enter into an agreement with the applicant
6 for a credit under this chapter if the board determines that all the
7 following conditions exist:

8 (1) The applicant's project will retain existing jobs performed by
9 the employees of the applicant in Indiana.

10 (2) The applicant provides evidence that there is at least one (1)
11 other competing site outside Indiana that is being considered for
12 the project or for the relocation of jobs.

13 (3) A disparity is identified, using the best available data, in the
14 projected costs for the applicant's project in Indiana compared
15 with the costs for the project in the competing site.

16 (4) The applicant is engaged in research and development,
17 manufacturing, or business services (as defined in the Standard

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Industrial Classification Manual of the United States Office of Management and Budget).

(5) The average compensation (including benefits) provided to the applicant's employees during the applicant's previous fiscal year exceeds the ~~average compensation paid during that same period to all employees in the county in which the applicant's business is located by at least five percent (5%);~~ lesser of:

(A) the average county wage in the county where the project for which the credit under this chapter is granted will be located; or

(B) the average wage in the state; during the same period, as determined by the department of commerce.

(6) The applicant employs at least ~~two hundred (200)~~ **seventy-five (75)** employees in Indiana.

(7) The applicant has prepared a plan for the use of the credits under this chapter for:

(A) investment in facility improvements or equipment and machinery upgrades, repairs, or retrofits; or

(B) other direct business related investments, including but not limited to training.

(8) Receiving the tax credit is a major factor in the applicant's decision to go forward with the project, and not receiving the tax credit will increase the likelihood of the applicant reducing jobs in Indiana.

(9) Awarding the tax credit will result in an overall positive fiscal impact to the state, as certified by the budget agency using the best available data.

(10) The applicant's business and project are economically sound and will benefit the people of Indiana by increasing or maintaining opportunities for employment and strengthening the economy of Indiana.

(11) The communities affected by the potential reduction in jobs or relocation of jobs to another site outside Indiana have committed at least one dollar ~~and fifty cents (\$1.50)~~ **(\$1)** of local incentives with respect to the retention of jobs for every ~~three two~~ **two** dollars ~~(\$3)~~ **(\$2)** in credits provided under this chapter. For purposes of this subdivision, local incentives include, but are not limited to, cash grants, tax abatements, infrastructure improvements, investment in facility rehabilitation, construction, and training investments.

(12) The credit is not prohibited by section 16 of this chapter.

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SECTION 2. IC 6-3.1-13-17, AS AMENDED BY P.L.178-2002,
SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2004]: Sec. 17. In determining the credit amount that should
be awarded to an applicant under section 15 of this chapter that
proposes a project to create jobs in Indiana, the board shall take into
consideration the following factors:

- (1) The economy of the county where the projected investment is
to occur.
- (2) The potential impact on the economy of Indiana.
- (3) The incremental payroll attributable to the project.
- (4) The capital investment attributable to the project.
- (5) The ~~amount the~~ average wage paid by the applicant. ~~exceeds~~
~~the average wage paid within the county in which the project will~~
~~be located.~~
- (6) The costs to Indiana and the affected political subdivisions
with respect to the project.
- (7) The financial assistance that is otherwise provided by Indiana
and the affected political subdivisions.

As appropriate, the board shall consider the factors in this section to
determine the credit amount awarded to an applicant for a project to
retain existing jobs in Indiana under section 15.5 of this chapter. In the
case of an applicant under section 15.5 of this chapter, the board shall
consider the magnitude of the cost differential between the projected
costs for the applicant's project in the competing site outside Indiana
and the projected costs for the applicant's project in Indiana.

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